

LAB FEE AUDIT REPORT

VALENCIA

Lab Fee Audit Report No. CA2013-103

Purpose

In accordance with the District Board of Trustees approved audit plan, the Compliance and Auditing Department performed an audit of Lab Fees.

Objectives

1. To determine that lab fees (to include special fees) have been properly authorized
2. To determine that lab fees do not apply to distance learning courses
3. To determine that students assessed lab fees (to include special fees) are receiving the applicable services or goods
4. To determine that lab fees do not exceed the cost of providing the applicable services or goods
5. To determine that unusual cost are the basis for calculating special fees (to include lab fees)

Scope and Methodology

To meet the objectives of the audit, the Compliance and Auditing Department reviewed applicable laws and rules within the Florida Statutes and the Florida Administrative Code, College policy and procedures, systems, processes and documentation related to the administration of special/lab fees. Special/lab fees and applicable supporting documentation were reviewed for the Fall 2013 term and the Spring 2013 term. Budgets detailing lab revenue and/or expenses were analyzed for the following periods: FY2012, FY2011, and FY2010.

Background

The College assesses a special fee for certain courses offered by Valencia in addition to tuition and registration fees. These courses generally provide some type of lab-related experience and/or use of special equipment for students enrolled in the courses. Fees associated with lab-related experiences are referred internally as lab fees. Fees for other authorized purposes are referred to as special fees, although they all fall under the umbrella of special fees. The special fees/lab fees represent unusual cost incurred by the College related to providing the lab experiences, special equipment, and other authorized activities to students enrolled in the respective courses. During the 2011/2012 Academic Year, there were 495 courses with special/lab fees in which there were approximately 90,000 enrollments. According to Banner, the College assessed \$4.1 million in special/lab fees during this period. Banner is the College's comprehensive computer information system that maintains student, financial, and personnel data.

Although the College collectively terms these fees as special fees, they are labeled user fees within the Florida Statutes and the Florida Administrative Code.

Conclusion

The College has made great strides in the administration of special/lab fees over the years. Processes continue to evolve. The audit disclosed several opportunities for process improvements. Such improvements should aid in providing greater internal controls that reduce identified risk. Audit observations related to the specific processes are detailed in the next section.

June 2013

Audit Observations/Action Plans

Objective #1 - Authorized Fees

Audit Observation 1 (Incorrect Fee Amounts)

§1009.23(12) , F.S. provides that each Florida College System institution board of trustees is authorized to establish fee schedules for the following user fees and fines: laboratory fees; fees and fines relating to facilities and equipment use or damage; duplicating, photocopying, binding, or microfilming fees; and standardized testing fees, in addition to other fees.

Special fees of several courses identified in Banner did not agree to the respective fee amounts approved by the District Board of Trustees as detailed in the 2012/2013 College Catalog. Students enrolled in the courses were either overcharged or undercharged for the Fall 2012 term. There is a possibility the incorrect amounts could be assessed to students during the Spring 2013 term and the Summer 2013 term.

Course	Enrollment	Impact \$\$\$	Overcharged/ Undercharged
ART 1201C	179	719	Undercharged
ART 2400C	14	210	Overcharged
ART 2401C	1	15	Overcharged
EET 3086C	9	414	Overcharged
MVB 1312	2	18	Undercharged
MVW1314	1	9	Undercharged
OST 1141	21	231	Overcharged
OST 2454	25	275	Overcharged
OST 2466	17	187	Overcharged
PHY 2048H	7	91	Overcharged

Management’s Action Plan

The Vice President for Student Affairs and the Assistant Vice President for Curriculum and Articulation will collaborate to create management tools and processes to accurately update lab fee changes at the college catalog and course level to ensure accurate lab fee assessment.

Audit Observation 2 (Maintenance Access)

Periodic monitoring of Banner maintenance access granted to employees helps to ensure that such access continues to be a necessity for employees to complete their job responsibilities.

Several employees had maintenance access to Banner forms SCADETL (Course Detail Information) & SSADETL (Schedule) that were no longer required to perform their job responsibilities. Most of these employees changed positions within the College, ranging from January 2011 through November 2012. Access to these forms allows the ability to change/add/delete certain fees, including special fees; in addition to other information within the forms. There is the possibility that unauthorized changes could be made to fees and other pertinent information related to courses within Banner forms SSADETL & SCADETL.

Management’s Action Plan

The Vice President for Student Affairs and the Assistant Vice President for Admissions and Records will create a routine report and review process to ensure that access to the Banner forms that allow changes to lab fees is restricted to staff with the appropriate role and authority to complete authorized updates.

Objective #2 – Distance Learning Courses

Audit Observation 3 (Online Courses)

§ 1009.23(12)(a), F.S. provides that each Florida College System institution board of trustees is authorized to establish fee schedules for laboratory fees, which do not apply to a distance learning course. A distance learning course is defined as a course in which at least 80 percent of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time or space, or both.

Students enrolled in several courses delivered via the hybrid or online method were assessed lab fees during the Fall 2012 term. Online direct instruction provided by the instructor to the students was 80% or greater for all courses identified. The College may be deemed non-compliant with state regulations.

<u>Course</u>	<u>CRN</u>	<u>Delivery Method</u>	<u>Delivery</u>	<u>Enrollment</u>	<u>Location</u>
REA 0017C	15357	Hybrid	100% online	23	East
OST 2120	17572	Online	100% online	1	West
OST 2120	17573	Online	100% online	1	West
REA 0017C	17793	Hybrid	100% online	13	Osceola

Management's Action Plan

During the 2012-2013 academic year, the Vice-President of Academic Affairs (VP) and Planning and the Campus Presidents (CP's) reviewed the process by which lab fees are determined. They met with all Deans of academic departments and discussed differences in cost and organization of the labs across the campuses. As a result of those meetings, new procedures have been established that will be used going forward. While the AVP of Curriculum and Articulation will continue to ensure that the fees go through the process for approval by the faculty and curriculum committee, several new steps have been added to the lab fee determination process:

1. The VP and CP's, along with the AVP for Curriculum and Articulation, will meet with Deans on an annual basis.
2. During the meetings all Deans will provide descriptions of lab experiences on their respective campuses. The VP, AVP, and CP's will ensure that courses have appropriate lab designations, and that classes with those designations meet the criteria for a lab course. Also during the meetings, methods of delivery (i.e., online, hybrid, or face-to-face) for all courses will be clarified, and fees for fully online courses will not be approved.
3. Deans will submit calculations on a standardized excel spreadsheet prior to the annual meetings. This will ensure that all deans are using the same process (e.g., whether all are including appropriate benefits for different categories of employees, that maintenance fees for special equipment are charged uniformly across campuses, etc). Procedures for calculating fees will be reviewed and approved by the VP, AVP, and CP's during the annual lab meetings.

Objective #3 – Lab Component

Audit Observation 4 (Lab Designations)

According to the College's Lab Manual, the Florida State Course Numbering System provides that a "C" suffix added to a prefix and course number indicates that a course is a combination of lecture and laboratory offered as a single course entity. The College's online catalog states the "C" represents a combined lecture and laboratory course that meets in the same place at the same time.

There were five courses with the "C" lab designations that did not have lab hours assigned to the course according to Banner – SCACRSE, *Basic Course Information* & SSASECT, *Schedule*. It was determined that the courses did have actual labs in which the students participated. Data integrity could become a concern related to course information recorded in Banner.

- ART 1300C - per online college catalog there are 3 hrs of lab, 3 hrs of class
- ART 2501C - per online college catalog there are 3 hrs of lab, 3 hrs of class
- CET 2179C - per online college catalog there are 0 hrs of lab, 3 hrs of class
- CET 2620C - per online college catalog there are 0 hrs of lab, 4 hrs of class
- GRA 1951C - per online college catalog there are 0 hrs of lab, 2 hrs of class

Management's Action Plan

During the 2012-2013 academic year, the Vice-President of Academic Affairs (VP) and Planning and the Campus Presidents (CP's) reviewed the process by which lab fees are determined. They met with all Deans of academic departments and discussed differences in cost and organization of the labs across the campuses. As a result of those meetings, new procedures have been established that will be used going forward. While the AVP of Curriculum and Articulation will continue to ensure that the fees go through the process for approval by the faculty and curriculum committee, several new steps have been added to the lab fee determination process:

1. The VP and CP's, along with the AVP for Curriculum and Articulation, will meet with Deans on an annual basis.
2. During the meetings all Deans will provide descriptions of lab experiences on their respective campuses. The VP, AVP, and CP's will ensure that courses have appropriate lab designations, and that classes with those designations meet the criteria for a lab course. Also during the meetings, methods of delivery (i.e., online, hybrid, or face-to-face) for all courses will be clarified, and fees for fully online courses will not be approved.
3. Deans will submit calculations on a standardized excel spreadsheet prior to the annual meetings. This will ensure that all deans are using the same process (e.g., whether all are including appropriate benefits for different categories of employees, that maintenance fees for special equipment are charged uniformly across campuses, etc). Procedures for calculating fees will be reviewed and approved by the VP, AVP, and CP's during the annual lab meetings.

Objective #4 – Fee Revenue/Cost

Audit Observation 5 (Associated Cost)

§1009.23(12), F.S. and §6A-14.054(6), F.A.C. prescribes that user fees shall not exceed the cost of services or goods provided and shall only be charged to persons receiving the service.

During the 2012 fiscal period, some students were assessed lab fees after enrolling in specific courses at specific campus locations. The respective lab budgets associated with the lab fee collections did not detail any related expenses. The College may be inappropriately assessing lab fees to some students if the College is unable to identify unusual cost related to goods or services provided to the students enrolled in such courses.

Lab Fee Audit

Discipline	Location	Course Prefix	Enrollment	Fees Collected	Banner Index
Physical Science	Osceola	PHY	228	\$ 11,743	L11305
Art	Osceola	ART	143	3,715	L10605
CPrep - Reading	Osceola	REA	1,250	36,250	L11105
CPrep - English	Osceola	ENC	965	28,950	L11705
CPrep - EAP	Osceola	EAP	755	22,650	L15105
CPrep - EAP	West	EAP	1,749	52,470	L16004
Digital Media	West	DIG	14	140	L15904

Management's Action Plan

Campus Presidents and Deans will use tools provided by the budget department to monitor lab expenses and to properly allocate costs. Implementation effective Fall 2013.

Audit Observation 6 (Analysis)

§1009.23(12), F.S. and §6A-14.054(6), F.A.C. prescribes that user fees shall not exceed the cost of services or goods provided and shall only be charged to persons receiving the service.

A 3-year analysis was performed to determine if total lab fee revenue was aligned with the aggregate cost of providing goods and services to the respective students. According to the Budget Office, lab/special fee revenue and related costs among certain disciplines within a division were combined during the periods under analysis. Based on the data that was provided for the 3-year analysis, total lab fee revenue for some courses exceeded the cost to provide the goods or services to the students. The College may be deemed non-compliant with statutory requirements as it appears that user fees exceed the cost of providing goods or services to the applicable students.

Location	Discipline	CUDA	Courses	Period	Enrolled	Fee Revenue	Cost	Difference
West	Architecture & Eviron - AP	11102	ARC	FY12	579	\$18,368	\$16,827	\$ 1,541
				FY11	462	11,550	10,021	1,529
				FY10	382	9,550	3,626	5,924
East, Osceola, Winter Park, West	College Prep Reading, College Prep English & CPrep EAP in FY10	13101	REA, EAP, ENC	FY12	9,688	285,068	259,567	25,501
				FY11	10,860	390,838	360,049	30,789
				FY10	12,369	445,136	207,747	237,389
East, Osceola, West	College Prep EAP	13103	EAP	FY12	3,078	92,340	43,857	48,483
				FY11	1,642	59,112	0.00	59,112

Management's Action Plan

Campus Presidents and Deans will use tools provided by the budget department to monitor lab expenses and to properly allocate costs. Implementation effective Fall 2013.

Objective #5 – Unusual Cost

Audit Observation 7 (Cost Justification)

College procedure prescribes cost justifications be used to determine the basis for establishing special fees. Cost justifications are documented.

Cost justification forms for several courses with special fees were not on hand. The basis for establishing the special fees could not be determined. In the absence of the cost justifications, there is the possibility that lab fees will be established without consideration of the unusual cost required to provide goods or services to the respective students.

ETS 4216C - Geometrical Wave and Optics (4 enrolled in 201310 - West)

HLP 1093 - Meditation for Stress Management (17 enrolled in 201310 - East)

HSC 1180 - Tai Chi (16 enrolled in 201310 - West)

ORH 2260C - Greenhouse Operations and Management (12 enrolled in 201310 - West)

RTE 1418 - Principles of Radiography (25 enrolled in 201310 - West) ***determined no associated unusual cost for 201310

Management's Action Plan

It appears these course fees were assigned from previous years and forms may have been misplaced. The Lab fee course forms are now kept in the Budget Office for a one-location access. Although it is the responsibility of the Deans and Campus Presidents to be sure that all lab fees are reviewed with a course fee submission.